

REMARKS

Entry of the foregoing, reexamination and reconsideration of the subject application are respectfully requested in light of the amendments above and the comments, which follow.

As correctly noted in the Office Action Summary, claims 12-43 were pending. By the present response, claims 12, 16, 17, 24, 33, 35 and 36 have been amended. Thus, upon entry of the present response, claims 12-43 remain pending and await further consideration on the merits.

Support for the present claim amendments can be found, for example, in at least the following portions of the disclosure: the original claims

CLAIM REJECTION UNDER 35 U.S.C. §103

Claims 12-43 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent 5,654,968 to *Smiroldo* (hereafter "*Smiroldo*"), in view of U.S. Patent No. 6,112,188 to *Hartnett* (hereafter "*Hartnett*") on the grounds set forth on page 2 of the Official Action. For at least the reasons noted below, the rejection should be withdrawn.

The present invention is directed to methods and arrangements for conducting on-line bidding sessions that allow individual bidders to pool their bids. According to a first aspect, the present invention is directed to:

12. *A method of conducting an on-line bidding session, comprising:*
 - storing registered bidding groups in a database coupled to a processor in an auction computer, each of the registered bidding groups including a list of associated bidders;*
 - receiving bids from bidders on a plurality of remote computers;*
 - determining a respective bidding group's total bid by accumulating the bids received from bidders included in the respective bidding group's list of associated bidders; and*
 - storing the determined total bid in the database.*

According to another aspect, the present invention is directed to:

17. *A method of conducting an auction comprising:*
 - registering a plurality of bidding groups;*
 - receiving bids from bidders, each bid including a respective bid designation corresponding to one of the plurality of bidding groups;*

*associating each bid with at least one of the plurality of bidding groups; and
declaring a winning bidding group from the plurality of bidding groups.*

According to yet another aspect, the present invention is directed to:

31. *A method of conducting an auction, comprising:
registering a plurality of bidding groups;
receiving bids from bidders, each bid including a bid designation corresponding to one of
the plurality bidding groups;
contributing a respective bid amount in each bid to at least one total bid amount
corresponding to at least one of the plurality of bidding groups; and
declaring a winning bidding group from the plurality of bidding groups.*

As set forth in MPEP § 2143, in order to establish a *prima facie* case of obviousness, three basic criteria must be met: (1) there must be some suggestion or motivation to modify the reference or to combine the reference teachings; (2) there must be a reasonable expectation of success; and (3) the prior art references must teach or suggest all of the claim limitations. It is respectfully submitted the grounds for rejection fail to satisfy all three of these criteria.

With regard to the motivation for combining the teaching of *Smiroldo* and *Hartnett*, it is alleged on page two of the Official Action that one of the skill in the art would have been motivated to modify the teachings of *Smiroldo* because “such a change would have been to enable wide spread share ownership of large assets.” This assertion is respectfully traversed. *Smiroldo* has nothing to do whatsoever with the sale of assets. Thus, there would have been no reason for one of ordinary skill in the art to modify the teachings of *Smiroldo* in an attempt to enable wide spread ownership of assets as alleged. The stated motivation is clearly based upon a hindsight reconstruction of the prior art references, and thus is improper.

With regard to the requisite expectation of success the grounds for rejection fail to explain how one of ordinary skill in the art could modify the method and arrangements of *Smiroldo* in the manner proposed (i.e., by accumulating the bids received by the hub from the launch pads) and the system of *Smiroldo* still function as intended. In this regard, applicant notes that the proposed modification would render the prior art invention unsatisfactory for its intended purpose. Thus, there is no suggestion or motivation to make the proposed modification. In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed.Cir. 1984).

The proposed combination of *Smiroldo* and *Hartnett* also fail to disclose, or even suggest, every feature of the presently claimed invention.

Smiroldo is directed to a communications network (100) comprising a hub (102) and a plurality of second devices (104, 106 and 108), which attempt to communicate with one another. In particular, the communications network (100) provides communication between the hub and secondary devices or launch pads via a wireless link (110). *Smiroldo* teaches a system for allocating transmission time for communication between the hub and secondary devices in a manner such that the overall efficiency of the communications network as a whole is optimized. In particular, each of the secondary devices has the capability of generating bid indices, which represent bid success rates reflective of their success in establishing communication with the hub. The hub collects the bid indices from all of the active launch pads and evaluates them for a reasonable period of time in order to create a hub goal index. This hub goal index is then broadcast back to all of the secondary devices (i.e. launch pads) so that each of the secondary devices can evaluate its own bid index relative to the hub goal index, and use this information to modify the frequency of bidding for future access to the Hub. See, e.g., col. 2, lines 48-67.

In the system taught by *Smiroldo*, the “losers” are actually the secondary devices with the most successful bids:

“Using the goal index information, each launch pad can evaluate its bid performance relative to the other launch pads in the communications network, and then adapt its bid behavior accordingly. For example, launch pads which have a high success rate in the bidding can, for example, be forced to bid less frequently. . . while those doing poorly, can maintain or increase their bid frequency. (Col. 16 Line 64- Col. 17 Line 5)

In fact, *Smiroldo* is not directed to an auction at all. All of the bidders eventually get what they are after. Namely, access to the hub. The only thing determined by “bidding” is when the bidding launch pad will be granted the access it requests. Thus, contrary to the assertions contained on page 2 of the Official Action, *Smiroldo* fails to disclose at least of this aspect of the above described presently claimed invention.

With respect to claim 12, *Smiroldo* also fails to disclose, “storing registered bidding groups in a database coupled to a processor and an auction computer, each of the registered bidding groups including a list of associated bidders.”

With respect to claim 17, *Smiroldo* fails to disclose at least the step of “registering a plurality of bidding groups” and “declaring a winning bidding group from the plurality of bidding groups.”

With regard to claim 31, *Smiroldo* also fails to disclose “registering a plurality of bidding groups” as well as “contributing a respective bid amount and each bid to at least one total bid amount corresponding to at least one of the plurality of bidding groups”, and “declaring a winning bidding group from the plurality of bidding groups.”

As acknowledged on page 2 of the Official Action, *Smiroldo* fails to disclose “accumulating the bids.” In fact, the system taught by *Smiroldo* does not operate by simply accumulating bids to form bid groups. Instead, *Smiroldo* teaches a fairness scheme in which each launch pad monitors and generates a bid index representing its performance based on the frequency and success of its bidding for access to the hub. This information is then forwarded to the hub in each bid attempt where it is averaged with similar indices from all launch pads in the network. Consequently, the hub then transmits a compiled Hub goal index from the communication network back to each launch pad as a single indicator of the “health of the total attempts to gain access to the hub” (See, e.g., col. 16, lines 53-63).

The addition of *Hartnett* fails to cure the above noted deficiencies. *Hartnett* is directed to computerized methods and tools for developing and implementing economic policies for privatization of government controlled assets and property. Claim 1 is identified as providing the teaching relied upon for accumulating bids received from individual bidders for the purpose of purchasing an asset. However, it does not appear that this aggregated or “synthetic” bid is actually used to form the basis for selling the property at any particular price. In this regard, *Hartnett* teaches:

After the determining the prices of a SMU, prices are calculated for shares in individual enterprises. This again proceeds on the assumption of cross-price contingencies and multiple bidders and offerors. However, the amount of shares allocated to executed synthetic SMU bids and offers are first subtracted from the cumulative bid amount and offer-amount arrays respectively. (Col. 46, lines 10-16)

Thus, the teachings of *Hartnett* suggest that the aggregated bids do not represent the sale price of the asset.

For at least the reasons noted above, *Hartnett* fails to cure the previously noted deficiencies noted in connection in the teachings of *Smiroldo*.

For at least the reasons noted above, withdrawal of the rejection is respectfully requested.


CONCLUSION

Based on the foregoing, further and favorable action on the merits is respectfully requested. Should the Examiner feel that any issues remain, it is requested that the undersigned be contacted so that any such issues may be adequately addressed and prosecution of the instant application expedited.

Applicant believes no fee is due with this response. However, if a fee is due, please charge our Deposit Account No. 50-2228, under Order No. 014030.0118N3US from which the undersigned is authorized to draw.

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Respectfully submitted,

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